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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91223497
Party	Defendant Buglisi Recobs Group LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Respondent: BUGLISI RECOBS GROUP LLC
Application No.: 86415114
Mark: MISTER GINGER

JIM BEAM BRANDS CO.,

Opposer

v.

BUGLISI RECOBS GROUP LLC,

Applicant

Opposition No. 91223497
Serial No. 86/415,114

**RESPONDENT'S REPLY MEMORANDUM OF LAW IN FURTHER
SUPPORT OF ITS MOTION FOR LEAVE TO AMEND ITS ANSWER**

By: Patrick C. O'Reilly, Esq.
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PRELIMINARY STATEMENT

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Applicant BUGLISI RECOBS GROUP, LLC (“Respondent” or “BRG”), submits this Memorandum in further support of its Motion for Leave to Amend its Answer (“Respondent’s Motion”) with a counterclaim and affirmative defenses to Opposer, Jim Beam Brands Co.’s (“Opposer”) Opposition. As previously set forth in Respondent’s motion papers filed on April 6, 2016, it is seeking leave to amend its Answer to include the affirmative defense of judicial estoppel, as well as a counterclaim, based upon representations that Opposer previously submitted to the Trademark Trial and Appeals Board (“TTAB”) in conjunction with the registration of its “2 GINGERS” mark. For all of the following reasons, Respondent’s Motion should be granted in its entirety.

FACTS

The relevant facts are set forth in the Affirmation of Patrick C. O’Reilly in Support of Applicant’s Notice of Motion to Amend, dated March 19, 2016, and filed with this tribunal on April 6, 2016 (“O’Reilly Affirmation” or O’Reilly Aff.”), as well as the accompanying Affirmation of Patrick C. O’Reilly in Further Support of Applicant’s Notice of Motion to Amend (“O’Reilly Aff. Further Supp.”). As such, those facts will not be repeated at length herein, except in connection with the arguments that follow.

ARGUMENT

Under Rule 15(a) of the Federal Rules of Civil Procedure, leave to amend pleadings shall be freely given when justice so requires. Consistent therewith, the Board liberally grants leave to amend pleadings at any stage of the proceeding when justice requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties.

1 See, *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503 (TTAB 1993); See
2 also, *United States Olympic Comm. V. 0-M Bread Inc.*, 26 U.S.P.Q.2d 1221 (TTAB 1993). While
3 the timing of a motion to amend is a major factor in determining whether a party would be
4 prejudiced by allowance of the proposed amendment, denial of that motion is only warranted
5 where the delay actually causes prejudice to its adversary. See *Media Online Inc. v. El Clasificado*,
6 88 U.S.P.Q.2d 1285, at *2 (TTAB 2008)(emphasis added), *citing* Wright, Miller and Kane,
7 *Federal Practice and Procedure: Civil 2d*, Section 1488 (1990).

8
9 None of the factors that militate against granting a motion to amend are present in this case.
10 There is no undue delay in Respondent's request to amend, and importantly, no resultant
11 prejudicial effect. Further, Respondent is not seeking the amendment in bad faith or with dilatory
12 motive. In fact, the interests of justice and judicial economy will undoubtedly be served by having
13 all claims and allegations properly before the Court. The proposed amendments are narrowly
14 tailored to reflect Respondent's present understanding of this case, which would allow the action
15 to more effectively proceed on the merits.
16

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18 **I. Respondent's Motion to Add a Counterclaim is Not Untimely and is Highly
19 Warranted.**

20 Respondent's Motion seeking leave to amend its Answer to include a counterclaim should
21 be granted in its entirety.

22 (i) *Respondent's Amendments are Timely.*

23 Contrary to Opposer's assertions, Respondent's request cannot be considered untimely
24 solely based upon the fact that it was not plead at the time Respondent submitted its Answer.
25 Where grounds for a counterclaim are learned during the course of the opposition proceeding, the
26 counterclaim shall be pleaded "promptly after the grounds therefor are learned." 37 C.F.R. §
27 2.106(b)(2)(i). In this case, the Respondent learned of the grounds for the counterclaim subsequent
28

1 to the filing of its Answer, and while engaged in settlement discussions with the Opposer. (See
2 O'Reilly Aff. Further Supp., ¶¶ 2 & 5.) Once the grounds for the counterclaim were discovered,
3 that information was brought up to Opposer as a means to prompt settlement, which ultimately
4 proved unsuccessful. (See O'Reilly Aff. Further Supp. ¶ 6.) After providing multiple opportunities
5 to the Opposer to negotiate settlement terms, Respondent determined that settlement would not be
6 forthcoming at this stage, and proceeded to submit Respondent's Motion. (See O'Reilly Aff.
7 Further Supp. ¶ 8.) Therefore, any delays in the filing of Respondent's Motion once the relevant
8 information was obtained was a result of settlement negotiations. In any event, that information,
9 and Respondent's intent to use it in the present litigation, were disclosed almost immediately to
10 Opposer, which belies any claimed prejudicial effect.
11

12
13 As such, taking into account the subsequent discovery of the relevant information, as well
14 as the seemingly good faith negotiations which were ongoing at the time this information was
15 discovered, Respondent's Motion cannot be considered untimely.

16 (i) *Respondent's Amendments are Highly Relevant the Current Action.*

17
18 Opposer claims that the Respondent's findings and bases for the proposed counterclaim
19 are irrelevant. On that point, Respondent references the following statements submitted by
20 Opposer to the TTAB, which are more fully set forth in the proposed Amended Answer and which
21 are highly relevant in assessing the merits of the contradictory position adopted in the Opposition:
22

23 "Even when the '2 GINGERS' word mark used on its own and apart from the label,
24 consumers are likely to associate the term 'GINGERS' in [Opposer's] mark with
25 people who have red hair and not to ginger flavoring or ginger root. The word
26 'ginger' when used to refer to the flavor or to a ginger root is always used in the
27 singular form – even when referring to a given quantity of ginger . . . Accordingly,
28 based on common uses, a person encountering the [Opposer's] mark would assume
the word 'GINGERS' refers to people with red hair and not to Ginger flavoring.
This is particularly true because [Opposer's] whiskey is an Irish whiskey and, as
noted above, the term 'GINGERS' is often associated with red-haired people from
Ireland."

1 “Flavor infused whiskey is not the same thing as whiskey. They are two different
2 and distinct products, and are as unrelated as wine and wine coolers or vodka and
3 gin.”

4 “Consumers who encounter [Opposer’s] mark will view the term ‘GINGERS’ as
5 being suggestive of Irish people and culture and to the good times that can be had
6 while enjoying whiskey.”

7 “There is no evidence that consumers refer to or believe ‘ginger.’ Much less
8 ‘GINGERS,’ is descriptive of whiskey.”

9 “Consumers of [Opposer’s] goods are sophisticated purchasers and would know
10 the difference between whiskey and flavor-infused whiskey. While whiskey can be
11 used in mixed drinks, it is very flavorful and often enjoyed on its own – either
12 straight up or on the rocks. Whiskey is a complex alcoholic beverage that has a very
13 distinctive flavor depending on where the whiskey is distilled. For example, Irish
14 whiskey tends to be sweeter than scotch whiskey. Accordingly, people who
15 purchase whiskey are very mindful of the distilling process and location of the
16 distillery when deciding which whiskey to purchase. Consumers of [Opposer’s]
17 goods are very selective and conscientious when making purchasing decisions.
18 They would quickly note the difference between a whiskey and a flavor infused
19 whiskey. In particular, they would recognize that [Opposer’s] whiskey does not
20 contain any added flavoring and, therefore, would never ascribe a descriptive
21 meaning to the term ‘GINGERS’ in [Opposer’s] mark.”

22 (See O’Reilly Aff., pps. 5 – 8, and Exh. C thereto.)

23 As the Board knows, the crux of the Opposition is that Respondent’s mark MISTER
24 GINGER, as it is used to refer to a ginger-spiced American whiskey, will infringe upon Opposer’s
25 mark “2 GINGERS,” as it is used in conjunction with an unflavored Irish whiskey featuring two
26 (2) red-headed women. Therefore, Opposer’s submissions to the TTAB emphatically denying that
27 the word GINGER and its plural GINGERS will be confused; representing that Opposer’s
28 sophisticated consumers would never confuse or think of Opposer’s product as ginger-flavored;
and stating that whiskey and flavored-whiskey are completely different products are highly
relevant to Opposer’s claims in the Opposition.

1 Thus, Respondent's proposed counterclaim, and the allegations therein, have a direct
2 bearing upon the substance of the present Opposition, since any representations made to the TTAB
3 that were false, misleading, and clearly mis-descriptive of "2 GINGERS" should result in the
4 cancellation of that mark. Such a cancellation would render the current Opposition moot, and
5 should result in the registration of the MISTER GINGER mark.
6

7 For all the foregoing reasons, Respondent should be granted the opportunity to amend its
8 Answer to include a timely and highly relevant counterclaim.

9 **II. There is No Prejudice to Opposer.**

10 Opposer will not suffer any undue prejudice by virtue of the Board's allowance of the
11 proposed amendments. Significantly, Opposer will not suffer substantial prejudice from the lapsed
12 discovery deadline nor the "prolongation" of its own Opposition.
13

14 A determination of potential prejudicial effect includes assessing whether allowing an
15 amendment would result in additional discovery, cost, and preparation to Opposer against new
16 facts or theories. Opposer cannot be prejudiced, or even caught off guard, by the proposed
17 amendment. As the author of the words and arguments upon which Respondent is attempting to
18 rely, Opposer should have no need for discovery related to the same. Common sense would dictate
19 that Opposer is already in possession of any and all information that could have contributed to the
20 arguments it submitted in response to the Office Action issued by the TTAB on February 28, 2011
21 ("Opposer's Response"). As such, any burden or "prejudice" imposed by the lapsed discovery
22 deadline falls solely upon the Respondent as the party unfamiliar with the facts and circumstances
23 surrounding Opposer's Response.
24

25 Likewise, the Opposition, and its "unnecessary prolongation," would only prejudice
26 Respondent, who is currently being stymied from the release its product and brand due to the
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1 unfounded opposition to its trademark. In any event, information evidencing that the Opposition
2 is meritless and in direct contravention of the Opposer's represented brand reputation should
3 accelerate the Opposition, as opposed to prolong it. Even so, the Opposer is not the party suffering
4 any prejudice from the course of the Opposition that it instigated.

5 As such, Opposer cannot credibly claim that it would be subject to the substantial prejudice
6 required to deny the amendment.
7

8 **III. Respondent's Affirmative Defense of Judicial Estoppel Absolutely Exists in**
9 **Trademark Law.**

10 Respondent's request to include estoppel as an affirmative defense should be granted.

11 In the context of trademark actions, a claim may be precluded by the doctrine of judicial
12 estoppel, also known as the doctrine of inconsistent positions, which is "directed to the
13 preservation of the integrity of proceedings by protecting against litigants who 'play fast and loose
14 with the courts'." *See* 4 Callmann on Unfair Comp., Trademarks & Mono. § 23:40 (4th Ed. 2015);
15 *See also, MacDermid, Inc. v. Cookson Grp, PLC*, 149 Conn. App. 571 (2014)(the courts invoke
16 judicial estoppel as a means to protect the integrity of the judicial process by prohibiting parties
17 from deliberately changing positions according to the exigencies of the moment).

18 In determining whether judicial estopped will lie, the following factors are considered: (1)
19 judicial acceptance of the previously asserted inconsistent position; (2) the risk of inconsistent
20 results; (3) effect of the pleading party's actions on the integrity of the judicial process; and (4)
21 perception that the tribunal has been misled. *U.S. Philips Corp. v. Sears Roebuck & Co.*, 34
22 U.S.P.Q.2d 1699 (BNA); *Medicare Rentals, Inc. v. Advanced Servs.*, 119 N.C. App. 767
23 (1995)(The doctrine prevents the use of "intentional self-contradiction . . . as a means of obtaining
24 unfair advantage in a forum provided for suitors seeking justice.").

1 In this case, the TTAB accepted the prior inconsistent statements that ‘2 GINGERS’ was
2 not descriptive of a characteristic of the product and would not confuse consumers into believing
3 the product to be a ginger-flavored whiskey, as well as the statements that the word GINGERS is
4 entirely distinct from GINGER and clearly refers to a person, as opposed to a flavor. (*See O’Reilly*
5 *Aff.*, pps. 5 – 8.) Presumably, as a result of its acceptance of these statements, the TTAB granted
6 ‘2 GINGERS’ registration on the principal registrar, and withdrew its objections to the mark. The
7 risk of these inconsistent results would give the Opposer the opportunity to prevent the registration
8 of any mark using GINGER as an element of the product, as opposed to only in conjunction with
9 a person, which was the TTAB’s purported objection to the initial trademark registration
10 application for “2 GINGERS.” This has a clear effect on the integrity of the judicial process, since
11 Opposer would be having the proverbial cake and eating it too by making representations to garner
12 registration and then proceeding to argue in direct contravention of those assurances to expand the
13 scope of the established registration. The very character of these contradictory statements more
14 than suggests that the TTAB is being, or has been, misled. As such, the Respondent’s request to
15 include the judicial estoppel defense to the underlying circumstances is more than warranted.
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19 Further, Opposer claims that the form of estoppel sought by Respondent does not exist in
20 trademark actions. However, judicial estoppel, the form of estoppel Respondent seeks to assert as
21 an affirmative defense, is only unavailable in the following circumstances: (1) the prior statement
22 was the result of inadvertence or mistake (*Lampi LLC v. Amer. Power Prods., Inc.*, 52 U.S.P.Q.2d
23 1733 (BNA)); (2) the prior inconsistent statement was made before a foreign tribunal concerning
24 trademark rights within that country as opposed to those in this country (*Boston Chicken Inc. v.*
25 *Boston Pizza Int’l Inc.*, 53 U.S.P.Q.2d 1053 (BNA)), and; (3) in trademark registration actions
26 where the statement was made in earlier infringement litigation (*Christopher Brooks v. Creative*
27
28

1 *Arts by Calloway, LLC*, 93 U.S.P.Q.2d 1823 (T.T.A.B. 2010)). Seeing as none of the foregoing
2 restrictions to this defense are present in the current circumstances, Respondent is well within the
3 boundaries of this trademark dispute in seeking judicial estoppel against Opposer.

4 Thus, the affirmative defense of judicial estoppel is both available and necessary prevent a
5 substantial miscarriage of justice in these proceedings.
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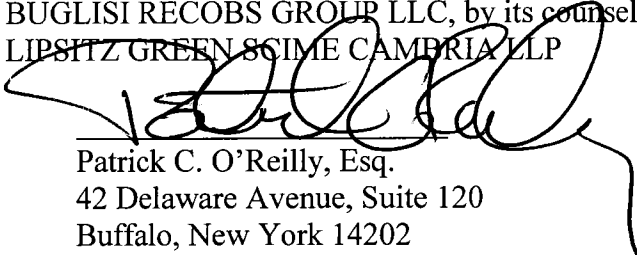
7 CONCLUSION

8 For all of the foregoing reasons, and in the clear interests of justice and judicial economy,
9 Respondent respectfully submits that Respondent's Motion to Amend its Answer should be
10 granted in its entirety.
11

12 DATED: May 12, 2016

13 Respectfully submitted,

14 BUGLISI RECOBS GROUP LLC, by its counsel
15 LIPSITZ GREEN SCIME CAMBRIA LLP

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1 **IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**
2 **BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

3 **Respondent:** **BUGLISI RECOBS GROUP LLC**
4 **Application No.:** **86415114**
5 **Mark:** **MISTER GINGER**

6 **JIM BEAM BRANDS CO.,**

7 **Opposer**

8 **v.**

9 **BUGLISI RECOBS GROUP LLC,**

10 **Applicant**

11
12 **AFFIRMATION**

13 **Opposition No. 91223497**
14 **Serial No. 86/415,114**

15 PATRICK C. O'REILLY, ESQ., being duly sworn, deposes and says:

16 1. I am the attorney of record for the co-Applicant, Buglisi Recobs Group, LLC
17 ("Applicant"), in the above-entitled opposition action and submit this affirmation in further support
18 of Applicant's Notice of Motion for leave to amend its Answer to Opposer, Jim Beam Brands
19 Co.'s ("Opposer"), Notice of Opposition.

20 2. As stated, subsequent to the filing of the Applicant's Answer, research revealed that
21 the Opposer had previously filed a formal written response to an Office Action issued February
22 28, 2011 ("Opposer's Response"), in connection with Opposer's Application to register "2
23 GINGERS."

24 3. As such, the grounds for the proposed counterclaim and affirmative defense of
25 estoppel were not known to Applicant at the time it filed its Answer.

1 4. In fact, the information upon which Applicant is attempting to rely is based upon a
2 separate action between Opposer and the United States Patent and Trademark Office ("USPTO"),
3 and was only discovered by Applicant through its research during the course of discovery.

4 5. At the time that this information was obtained, Applicant and Opposer were
5 engaged in settlement discussions regarding a potential co-existence agreement.
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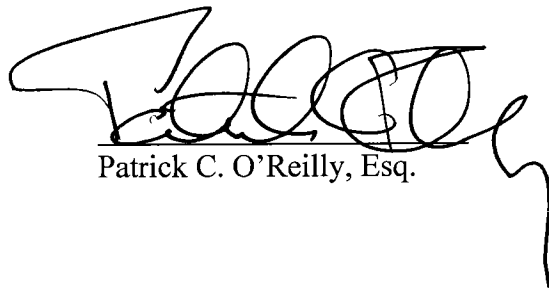
7 6. In conjunction with those settlement discussions, Applicant brought up the recently
8 obtained information from Opposer's Response as a means to promote settlement, with the stated
9 intention of avoiding additional litigation between the parties.

10 7. Pursuant to multiple follow ups by Applicant's counsel, Opposer's counsel
11 repeatedly assured Applicant that the settlement terms were being discussed, giving Applicant the
12 impression that further negotiations were forthcoming.
13

14 8. After some time had passed, and Applicant failed to receive additional
15 correspondence regarding settlement, it decided to file the instant Motion seeking leave to include
16 the counterclaim and affirmative defense previously disclosed to Opposer.
17

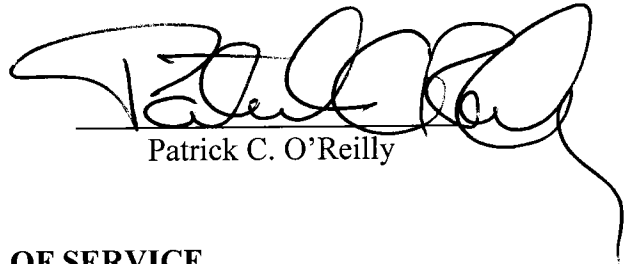
18 WHEREFORE, your deponent respectfully requests that the Board grant Applicant's
19 Motion seeking leave to amend it Answer to include a counterclaim and affirmative defense.

20
21 DATED: May 12, 2016

22 
23 Patrick C. O'Reilly, Esq.
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CERTIFICATE OF ELECTRONIC FILING

The undersigned attorney hereby certifies that the attached **RESPONDENT'S REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF ITS MOTION FOR LEAVE TO AMEND ITS ANSWER**, with supporting **AFFIRMATION OF PATRICK C. O'REILLY**, was filed electronically with the Trademark Trial and Appeal Board on May 12, 2016:

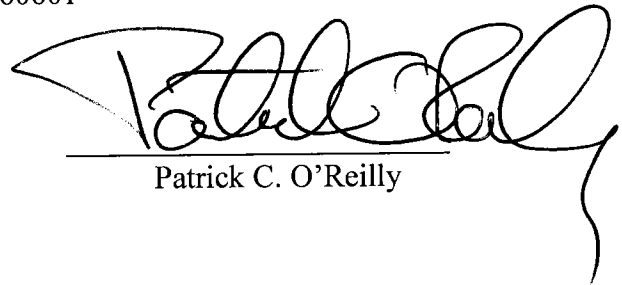


Patrick C. O'Reilly

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a copy of the **RESPONDENT'S REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF ITS MOTION FOR LEAVE TO AMEND ITS ANSWER**, with supporting **AFFIRMATION OF PATRICK C. O'REILLY**, was served by Federal Express on May 12, 2016 to the following address, such being the Opposer's correspondence address listed with the Board as of this date:

Claudia W. Stangle
LEYDIG VOIT & MAYER LTD
180 North Stetson Avenue, Suite 4900
Chicago, IL 60601



Patrick C. O'Reilly